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**European Review**

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28 February 1986

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**European Review**

25X1

28 February 1986

		<i>Page</i>	
<b>Briefs</b>	<b>Belgium: Problems in Wallonia</b>	1	25X1
	<b>United Kingdom: New Look at Westminster—Parliamentary Committees</b>	1	25X1
			25X1
	<b>Yugoslavia: Desire To Join EUREKA</b>	3	25X1
<b>Articles</b>	<b>Nordic Countries: Renewed Discussion of Nuclear-Weapons-Free Zones</b>	5	25X1
			25X1
	The concept of a Nordic Nuclear-Weapons-Free Zone was given new life at the pan-Nordic parliamentarians' conference in Copenhagen in late November. Proposals for creation of a joint working group on the zone issue will be taken up at a meeting of Nordic foreign ministers on 9 March. Although the Socialists are likely to succeed in persuading the conservative and centrist-led governments to support the proposals, they will face strong opposition from non-Socialists to make these groups dynamic entities.		25X1
	<b>The Netherlands: Election Politics and INF Deployment</b>	9	25X1
			25X1
	The Dutch parliament has ratified the INF basing agreement, but actual deployment remains uncertain. If the Labor Party enters government after the elections in May—still a possibility, according to recent polls—it almost certainly would try to at least renegotiate parts of the INF accord. Deployment is not completely assured even if the coalition of Prime Minister Lubbers is reelected. The Dutch do not plan to deploy cruise missiles until 1988, leaving ample time for new events—such as an attractive Soviet arms control offer—to emerge as an excuse for delay.		25X1
	<b>West Germany: Public Views on SDI</b>	13	25X1
			25X1
	Recent polls call into question claims of Bonn officials that they face serious public opposition to an SDI agreement with the United States. We believe Bonn's introduction of broader technology-transfer issues into the SDI negotiations results from intracoalition maneuvering rather than from public opinion constraints.		25X1

**Secret**EUR ER 86-006  
28 February 1986

Secret

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**Bulgaria: Leadership Shakeup**

[Redacted]

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The sweeping reorganization of Bulgaria's Council of Ministers and the dismissal of two senior party officials last month are probably in response to continuing economic problems and Soviet pressure to rectify chronic mismanagement. The changes set the stage for Bulgaria's Communist Party Congress, which begins on 2 April.

[Redacted]

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**Profile**

**Albania: The Political Lineup Under Alia**

[Redacted]

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**Economic News in Brief**

31

**Looking Ahead**

33

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*Some articles are preliminary views of a subject or speculative, but the contents normally will be coordinated as appropriate with other offices within CIA. Occasionally an article will represent the views of a single analyst; these items will be designated as uncoordinated views.*

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**Briefs****Belgium****Problems in Wallonia**

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A confrontation in the Walloon regional government between the Social Christian-Liberal coalition and the opposition Socialists threatens to cause friction in the Martens government. The Socialists, angry at being excluded from the regional government despite their electoral strength, are contesting the center-right coalition's legitimacy by arguing that it lacks the legally required majority in the regional council. The Socialists have said they will seek nullification by the courts of all acts of the regional authorities and have begun a campaign of obstruction in the council. Last month they prevented the new Assembly president from presenting his program by blocking his path to the speaker's podium and destroying his microphone.

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Thus far the center-right coalition has stood united against the Socialist onslaught, but this cohesion could crumble. The Walloon Liberals—unlike their Social Christian partners—all along have favored including the Socialists in the regional government to enhance stability and policy effectiveness. Strains between the governing partners probably also will arise from the need to have all delegates present at regional council meetings to defeat motions by the opposition. Continuing friction at the regional level could spill over to the national government of Prime Minister Martens as it confronts divisive issues, especially the devolution of control over religious education to the regional authorities.

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**United Kingdom****New Look at Westminster—Parliamentary Committees**

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The Parliamentary investigation into the Westland affair demonstrates the vigor with which MPs are using the Select Committee system to scrutinize Whitehall ministries. The Committees are designed to reflect the political balance in the Commons, but opposition MPs often hold the chairmanship. The chairman of the powerful Public Accounts Committee, for example, is almost always an opposition MP.

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The current system dates from Parliamentary proposals in 1978, which recommended that each government department be monitored by a Select Committee and that the Committees be given power to summon ministers and civil servants to testify. Ironically, given Prime Minister Thatcher's struggle with the Select Committee on Defense over the Westland affair, many of the proposals were implemented by the Thatcher government in 1979. Fourteen Select Committees were established to follow major Whitehall departments. Ministers and civil servants are not required to come before them, but they almost always agree to appear when requested. The Prime Minister's decision to permit officials to appear before the Defense and Trade Committees is an example of the pressure the Committees are now in a position to exert.

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EUR ER 86-006  
28 February 1986

**Secret**

Parliamentary Select Committee recommendations are not binding, but they have changed the way government does business in Britain. During the Westland investigation, the government has been forced to produce internal documents on its decisionmaking process to an extent unusual in the normally closed Whitehall environment. Committee reports are also taken seriously; last spring a Select Committee report critical of energy pricing policy was in large measure responsible for Thatcher's decision to abolish the British National Oil Company. The Foreign Affairs Committee has not hesitated to question foreign policy decisions—a 1984 report critical of Thatcher's stand during the Grenada invasion was especially nettlesome to the government. [redacted]

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**East Germany—  
West Germany**

**East German Travel Concessions** [redacted]

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East Germany has quietly told the Bonn government that it is implementing more generously its regulations on private travel to the West by East Germans. Normally only men over 65 and women over 60 may travel to West Germany with relative ease; others may visit only close relatives in the West and then only for "urgent family reasons," including weddings, funerals, and jubilee wedding anniversaries. According to West German officials, the GDR authorities are granting more exit permits in cases where the kinship is more distant and the reasons for going less "urgent." [redacted]

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[redacted]

[redacted] Contrary to earlier GDR claims and Western press reports, the GDR did not take a significantly more liberal approach last year. The number of exit permits granted in 1985 remained at about the same level (60,000 to 65,000) as in the previous two years. This time, however, it appears likely that the GDR is prepared to allow more of its citizens to leave temporarily. [redacted]

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The East German regime presumably calculates that this "humanitarian concession" will find favor in Bonn and demonstrate the GDR's will to maintain a positive tone in intra-German relations. At the same time, it is a calibrated response to the average East German's primary grievance—his inability to travel. The numbers involved now are small, but concessions could cause the regime problems by raising popular expectations and eroding the regime's argument for not being more liberal: almost all of the 60,000 returned home after their visits last year. [redacted]

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**Yugoslavia****Desire To Join EUREKA** 

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Yugoslav officials in industry and government want to participate in the West European EUREKA program. Businessmen and scientists from Serbia and the more developed northern republics have spearheaded calls for action by Belgrade, including an appeal to premier-designate Branko Mikulic to include EUREKA participation in his government's program. Federal Assembly delegates recently backed a membership bid, and Foreign Minister Dizdarevic raised the issue during his visit to Bonn in late January, according to press reports. West European officials, however, have stated that for now EUREKA membership will not be expanded beyond Western Europe although additional firms will probably be allowed to join eventually.

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Despite widespread Yugoslav enthusiasm for EUREKA, press reports indicate that there has been some "polemical" debate on the issue. One group of politicians, scientists, and businessmen suggested in late January that the need to modernize the economy outweighs the need to resolve "foreign policy or ideological questions."

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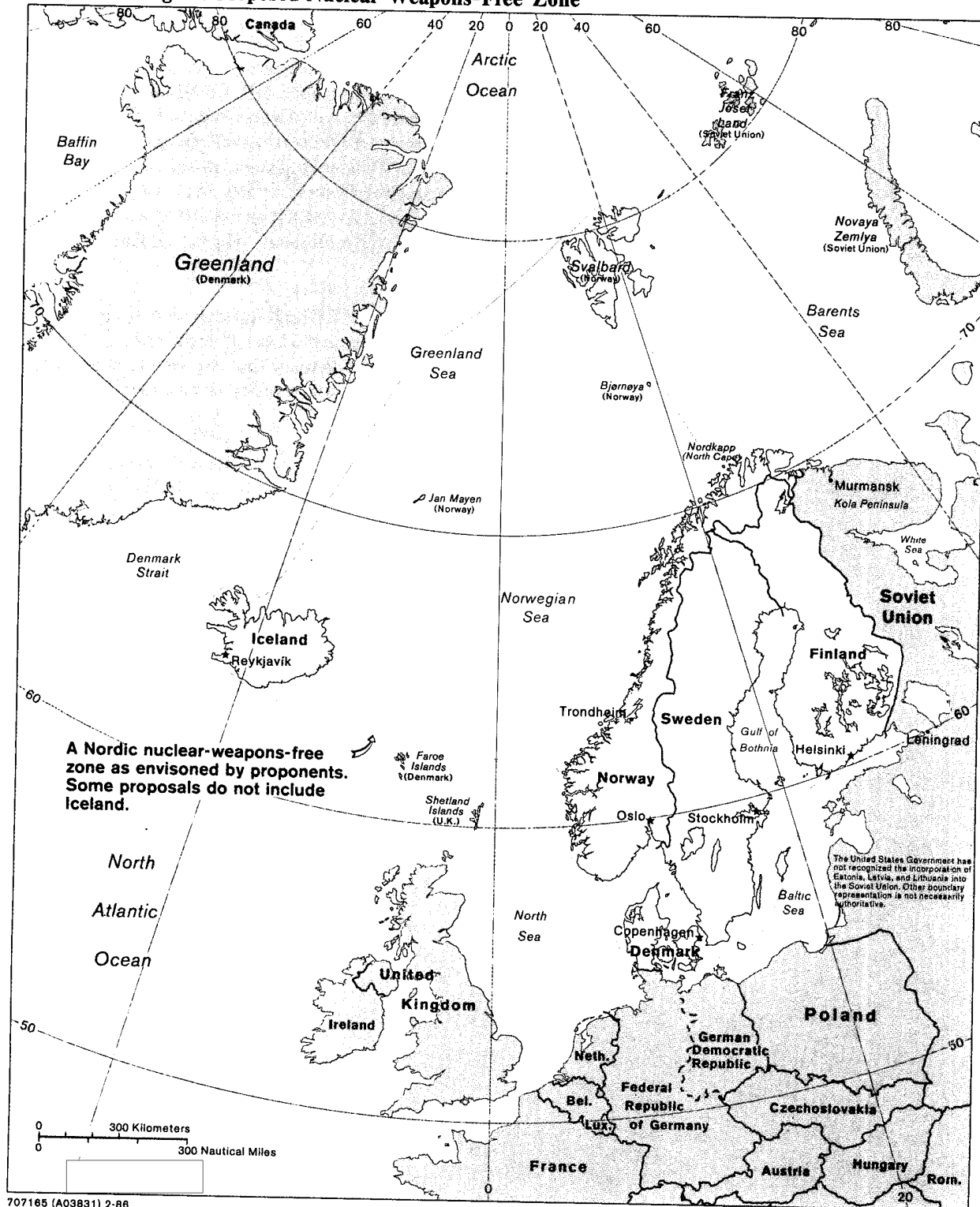
The Yugoslavs—particularly Croats and Slovenians who are known to want high-technology industries—are evidently worried that failure to join the EUREKA team will eventually hurt their ability to compete in Western markets for finished goods. The participation of economic competitors such as Greece and Portugal doubtlessly aggravates this concern. The polemical exchange indicates that some ideologues believe EUREKA membership would identify Belgrade too closely with the West, undermining its policy of nonalignment. Pro-EUREKA officials are likely to carry the day in Belgrade, but the West Europeans—concerned about EUREKA's military applications—still will be reluctant to allow Yugoslav participation.

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### The Nordic Region: Proposed Nuclear-Weapons-Free Zone



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## Articles

### Nordic Countries: Renewed Discussion of Nuclear-Weapons-Free Zones

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The concept of a Nordic Nuclear-Weapons-Free Zone (NNWFZ) was given new life at the pan-Nordic parliamentarians' conference in Copenhagen on 29 and 30 November 1985. Representatives of Social Democratic parties in Denmark, Norway, Sweden, Iceland, and Finland agreed to work in their respective parliaments for creation of a joint NNWFZ working group and to request that their governments organize a pan-Nordic group of officials to cooperate with the parliamentary group on the zone issue. These proposals will be taken up at the meeting of Nordic foreign ministers on 9 March. Although the Socialists are likely to succeed in persuading the conservative and centrist-led governments to support formation of the working groups, they will face strong opposition from non-Socialists to promoting them as dynamic, action-oriented bodies.

#### The Conference

Social Democratic Prime Ministers Olof Palme of Sweden and Kalevi Sorsa of Finland emphasized their governments' favorable attitudes on the zone issue, but official involvement by the governments of Denmark, Norway, and Iceland was limited to general remarks in keynote addresses. These governments, led by conservative coalitions, are skeptical about the feasibility of establishing a nuclear-weapons-free zone in Scandinavia, even if it were placed in a broader European context and included guarantees from both superpowers. In their view, such a zone would not serve the Nordic region's security interests and would be in conflict with their countries' NATO membership and with Alliance defense strategy.

Despite their assurances that the conference would avoid resolutions, the Social Democratic participants angered the non-Socialists by agreeing to work in

their respective parliaments for the establishment of a joint NNWFZ working group. In addition, acting on a Finnish proposal, conference chairman Anker Jorgensen, who is also chairman of the Danish Social Democratic Party, called for a Nordic intergovernmental body to coordinate discussions on the zone—apparently a kind of secretariat.

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#### Swedish and Finnish Positions: A Closer Look

In the past, the main impetus toward a Nordic zone has come from the neutrals, Sweden and Finland, which traditionally have sought to minimize East-West tensions in the region.

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Official Swedish endorsement of an NNWFZ notwithstanding, the Palme government is giving little more than lipservice to the concept, according to US Embassy officials. Stockholm has said, for example, that it cannot commit itself to any concrete initiatives in the current international political climate. Sweden is apprehensive that creating a web of zone treaties would constitute a radical departure from its longstanding neutral and independent security policy. Sweden's reluctance basically stems from fears that a zone could compromise its neutrality by making it vulnerable to superpower pressure—principally, pressure from Moscow to “guarantee” the nuclear-free status of the Baltic.

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Whatever their skepticism about the zone's feasibility, the ruling Social Democrats probably will continue to support an NNWFZ as a complement to Sweden's rejection of nuclear weapons even as a means of self defense. The Swedish opposition parties, however, probably will continue to express serious doubts about this means of protecting Swedish territorial

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EUR ER 86-006  
28 February 1986

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***In Search of a Concept***

*The NNWFZ idea has attracted sustained interest in Scandinavia during the 1980s, particularly from Socialist politicians, peace activists, and leftist intellectuals. The level of interest has grown over the past several years, as discussion of the vulnerability of the strategic Nordic region has increased in government and NATO circles. A majority in each of the Nordic parliaments now supports the idea. Official studies have been prepared, including a paper in 1984 on Danish security policy in the 1980s and a recent Norwegian Government white paper evaluating the zone concept. The latter concluded that implementation of an NNWFZ should be attempted only after agreement has been reached on a more comprehensive European scheme that might, for example, call for a reduction of both nuclear weapons and conventional forces in Europe to the "lowest possible and balanced level."*

sovereignty and their borders' inviolability. The non-Socialists generally claim that they would support a Nordic zone only if the Soviets agree to include Soviet Baltic territory and guarantee compliance with all elements of an agreement.

By contrast, support for the NNWFZ has been an integral part of Finnish foreign and security policy for more than 20 years. In Helsinki's view, it complements Finland's overall foreign policy objectives, especially the maintenance of friendly relations with the Soviet Union, increased Nordic cooperation, and the promotion of international recognition of Finland's neutrality. It has become a predictable Finnish response to perceived crises or increased tensions in East-West relations, and, in light of Finnish obligations under the Fenno-Soviet Treaty of Friendship, Cooperation, and Mutual Assistance (FCMA), it is even logical that they should view it in this way.

The Finns, we believe, raise the zone issue as a kind of safety valve through which they seek to demonstrate to Moscow that they are working actively to reduce

the threat to the Soviet Union from Nordic soil or through Nordic airspace. Helsinki's motive in these cases is to avoid giving the Kremlin leadership any pretext for suggesting that Soviet weapons be placed on Finnish soil or that joint military exercises be held, as provided for under the FCMA treaty.

The US Embassy in Helsinki reported in mid-1985 that Finland deliberately has formulated its substantive NNWFZ positions only in the most general terms. Finland maintains only that the formation of the NNWFZ should allow all parties to maintain existing security agreements, be thoroughly agreed upon by the Nordic states, and in some way involve the superpowers. At the Copenhagen conference, Prime Minister Sorsa underscored the need for the Nordic countries to first reach a common understanding about the zone and only then begin to examine the project on a "wider international basis."

Two days before the conference, Helsinki announced that a special working group within the Foreign Ministry would prepare a study incorporating the Finnish conception of how an NNWFZ might be established as well as views expressed in discussions with other Nordic countries. The government probably will be encouraged that the idea is no longer rejected out of hand by its detractors. The significance of this, in our judgment, is that the Finns will find it easier to achieve their primary goal of keeping the matter under indefinite discussion among and within the other Nordic governments.

**Impact in Denmark and Norway**

The Copenhagen meeting is likely to make Denmark's minority government even more vulnerable in the near term on security issues. The Socialist opposition in parliament has been consistently successful in forcing the government into a corner on these issues, including the NNWFZ. The Schlueter government, for its part, questions both the zone concept and its practicality, especially in terms of verification and Soviet reliability. As with other nuclear-related issues, however, the government is likely to be compelled to accept the parliamentary resolutions of the opposition

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Social Democrats, demanding that measures be taken toward the establishment of an NNWFZ. With the spark provided by the November conference, these resolutions are likely to become even more strident and insist that the government take action. Nevertheless, Copenhagen may be able to forestall the opposition's demands for concrete action on the zone by agreeing to support some projects of the proposed joint Nordic working group, such as studies and roundtable meetings. [ ]

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In Norway, although the conservative-led government is in a minority, the Socialists appear more willing to negotiate responsibly on security issues. Debate on the proposals of the Norwegian white paper probably will be postponed until the spring of 1987 in order to give the parliamentary staff time to study the paper and parallel reports on NATO strategy and arms control. Moreover, both the Labor Party and the government coalition appear to share many of the white paper's negative views on the prospects for establishing an NNWFZ in the immediate future, suggesting that any new impetus to the zone proposal from the left is highly unlikely. [ ]

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#### Outlook

The conference may not have made the NNWFZ proposal seem any more practical or feasible, but it definitely put the concept firmly back on the political agenda. The Nordic Social Democratic parliamentarians already have called for a similar conference later this year, clearly hoping to make it an annual event. The next parliamentary gathering, however, has tentatively been scheduled for the latter half of 1987 in Oslo—after local Norwegian elections.<sup>1</sup> The next opportunity for the NNWFZ itself to be discussed will be at the meeting of Nordic foreign ministers on 9 March, at which the non-Socialist ministers probably will agree to the proposed pan-Nordic secretariat. This will please the Finns and the Swedes, and the non-Socialists may see their concurrence as a less harmful alternative to more dynamic action on a zone. [ ]

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<sup>1</sup> According to the US Embassy in Oslo, the delay in scheduling indicates that the Norwegian Labor Party leadership—despite having agreed to host the next gathering—believes that too active an advocacy of the zone concept could hurt Labor at the polls.

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## The Netherlands: Election Politics and INF Deployment

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The Dutch parliament has ratified the INF basing agreement, but actual deployment remains uncertain. If the Labor Party enters government after the elections in May—still a possibility, according to recent polls—it almost certainly would try to at least renegotiate parts of the INF accord. Deployment is not completely assured even if the coalition of Prime Minister Lubbers is reelected. The Dutch do not plan to deploy cruise missiles until 1988, leaving ample time for new events—such as an attractive Soviet arms control offer—to emerge as an excuse for delay.



Prime Minister  
Ruud Lubbers

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Camera Press ©

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### Preelection Outlook

The opposition Labor Party undoubtedly will make INF a principal issue in the May elections but faces a difficult battle in dislodging the Christian Democratic-Liberal coalition that has held power for all but two of the past eight years. A public opinion survey last December showed that the current government would receive 75 out of 150 seats in the Second Chamber of Parliament—compared with 58 seats for the Labor Party. The survey results indicate that the government's positive deployment decision last November did little damage to its electoral standing and that the importance of INF as an issue is declining. Although a majority of Dutchmen continue to oppose cruise missile deployment, a survey last fall revealed that "disarmament" was no longer among the top 10 policy issues for voters. Even prominent peace movement leaders have acknowledged to US officials that public interest in INF is waning.

of emphasizing a popular incumbent worked for Prime Minister Martens in Belgium last year, and Dutch Christian Democrats are counting on the same thing.

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The government's currently favorable standing in public opinion polls could still decline, however, as a result of an increasingly bitter dispute between the coalition partners over euthanasia and budget issues. A vigorous campaign by the opposition for dual control of cruise missiles in the Netherlands—a demand rejected by the government but shared by many leftwing Christian Democrats—could also divide the coalition.<sup>1</sup>

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To maintain its electoral edge, the center-right coalition wants to avoid any issues which might revive peace movement activity. Dutch officials, according to US diplomats, are concerned that Washington might undercut The Hague's position by announcing changes in US policy about respecting the limits set by the ABM and the SALT II treaties. Foreign

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The government is also benefiting from an upswing in the economy and from the Labor Party's inability to overcome intraparty strife and develop an effective alternative economic program. Moreover, Labor's aging candidate for prime minister, Joop den Uyl, has far less voter appeal than energetic Christian Democratic Prime Minister Ruud Lubbers. Indeed, Christian Democratic strategists have told US officials that a key to the campaign will be contrasting Lubbers with "yesterday's man," den Uyl. A strategy

<sup>1</sup> Provincial elections of 19 March will be an important preelection test of the government's voting strength. In 1982 these elections accurately predicted victory for the Christian Democrats and the Liberals in the parliamentary election.

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EUR ER 86-006  
28 February 1986

Secret



Labor Party leader  
Joop den Uyl

Luxemburger Wort ©



D'66 Party leader  
Hans van Mierlo

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Minister van den Broek, in a recent meeting with US officials, emphasized that "further abrogation" of SALT II would have drastic consequences for Dutch public opinion. Wariness about voter reaction and possible linkage to INF also makes it unlikely that the Dutch Government will sign an agreement with Washington on SDI before the elections.

#### Implications of Different Electoral Outcomes for INF

If the Christian Democrats and the Liberals receive slightly less than a majority of seats in the next election—between 70 and 75 seats—they probably will try initially to enlist support from the small left-of-center D'66 Party. Although the D'66 is ideologically closer to the Labor Party, its leader, Hans van Mierlo, may agree to collaborate with the Christian Democrats and the Liberals in exchange for concessions on economic and social issues, such as higher public expenditures for low-income groups.

The D'66 has opposed INF in the past, but a recent party congress decided not to demand cancellation of the US-Dutch basing accord once it was approved by parliament. D'66 leaders did, however, make clear that they would try to renegotiate parts of the INF agreement with Washington. The D'66's acquiescence in INF in any case will continue to depend on the views of van Mierlo. The party relies on him to restore lost popularity and appears ready to go along with his views on INF. Should van Mierlo become more hostile to deployment, the D'66 would quickly reverse its present stand.

If the D'66 refuses to participate in a center-right government, Lubbers might turn to the small right-wing religious parties that are likely to win some nine seats. Even though these parties are basically in tune with the current government on INF, they probably would not consider a coalition with the Christian Democrats and the Liberals if the latter continue to press for legalization of euthanasia—a policy action morally unacceptable to the confessional parties.

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If the center-right total falls below 70 seats, a coalition between Labor and Christian Democrats becomes difficult to avoid. The Labor Party probably would try to make good its pledge to reverse the INF basing agreement. Although international law experts claim that a successor Dutch Government cannot unilaterally abrogate the basing accord, the Labor Party probably would try to justify a Dutch cancellation of cruise missile deployment by pointing to the US decision—now pending before Congress—to override parts of the US-Dutch tax treaty. At the very least we think the Labor Party would push for a renegotiation of the terms of the INF agreement, especially on questions of command and control. Such a stand, in fact, might threaten INF deployment more than demands for unilateral cancellation of the US-Dutch accord because calls for renegotiation would find greater support among leftwing Christian Democrats. If attempts to renegotiate the agreement fail, the Labor Party almost certainly would try to delay the physical emplacement of the cruise missiles

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by finding excuses for holding up construction of the INF base at Woensdrecht. [ ]

#### Arms Control Temptations

We believe INF deployment is not completely assured even under a reelected Lubbers administration. Lubbers probably continues to hope that Washington and Moscow will reach an interim accord on INF, which would make cruise missile deployment in the Netherlands unnecessary. An attractive Soviet arms control proposal could revive anti-INF sentiment among leftwing Christian Democrats—who may again hold the balance of power in parliament if the center-right returns with only a small majority—and increase public pressure on the government to delay cruise missile deployment. Thus far The Hague's reaction to Gorbachev's most recent proposal has been cautious. The government has emphasized that new elements in the Soviet position deserve careful analysis in NATO forums, but it has rejected opposition demands to postpone ratification of the INF basing agreement. [ ]

We believe that Prime Minister Lubbers may probe Soviet flexibility on INF during his visit in Moscow—which he has said will take place following ratification of the basing accord—despite repeated assurances that The Hague's deployment decision would not be on the agenda. If the Soviets hinted that further concessions are forthcoming to enable an early INF agreement, The Hague might delay construction of permanent INF basing facilities at Woensdrecht. [ ]

The prospects for successful INF deployment in the Netherlands, we believe, also are related to Dutch perceptions of US arms control efforts. If Washington's proposals in Geneva appear more reasonable than Moscow's—and manage to expose Soviet offers as mere attempts to gain a propaganda advantage—the opposition Labor Party would find it more difficult to defend its anti-INF position, especially if it participates in the next government.

The US proposal for eliminating intermediate-range missiles in Europe and Asia probably will improve Washington's "peace image," but it will also strengthen Labor Party arguments that INF deployment is unnecessary. Perceptions that Washington insists on stricter verification procedures or intends to ignore the limits set by the SALT II and the ABM treaties almost certainly would prompt INF opponents to charge that the United States continues to place greater emphasis on a military buildup than on an arms control agreement. [ ]

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West Germany: Public  
Views on SDI

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Recent polls call into question claims of Bonn officials that they face serious public opposition to an SDI agreement with the United States. Polls generally show more negative than positive opinions about SDI, but they also show conclusively that it is not a major issue for the West German public. We believe Bonn's introduction of broader technology-transfer issues into the SDI negotiations results from intracoalition maneuvering—particularly pressure from Foreign Minister Genscher—rather than from public opinion constraints. Some Bonn officials, however, may be trying to generate public expectations of US concessions on tech transfer in order to strengthen West Germany's bargaining position vis-a-vis the United States. We doubt that SDI per se is likely to become a major issue in the election next January, but the Kohl government could rekindle public doubts about its general competence if its tactics further delay the accord with Washington promised by this spring.

Recent Survey Findings

Survey evidence shows conclusively, in our opinion, that SDI is not a major issue for most West Germans:

- In no poll have respondents singled out SDI as one of the most important issues facing West Germany.
- A large number of respondents—ranging from one-quarter to one-third—generally express no opinion on questions regarding SDI.
- Anywhere from 20 to 42 percent of the respondents say they have never heard of SDI.
- In a USIA survey last September, only about one-third of the respondents correctly identified SDI's central objective as finding a defense against enemy missiles. About one-quarter of the West Germans confused it with antisatellite systems, and 10 percent thought its aim is to achieve military predominance on the moon and the planets.

Table 1  
Awareness of SDI's Purpose,  
September 1985

Percent

	General Public	Better Educated
Defend against missiles	37	60
Destroy enemy satellites	27	37
Military predominance on moon and planets	10	9
Don't know/haven't heard	29	4

Source: USIA. Columns sum to more than 100 apparently because some of those polled gave more than one response.

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These findings, in our opinion, in part reflect the generally low priority of security issues among Western publics. For instance, electoral studies showed that INF was far less important than economic issues in the 1983 Bundestag election despite widespread peace movement agitation. SDI appears far less salient than INF, almost certainly because it requires no weapons deployments on West German soil. In addition, the concept of strategic defense apparently appeals to some peace movement sympathizers who consider nuclear weapons intrinsically immoral. While a barrage of criticism in the leftist press probably has had some impact, it so far has been unable to mobilize mass emotions against West German participation in SDI research. The highly educated minority, on the other hand, is both more aware of SDI than is the general public and more likely to oppose it, according to USIA surveys.

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Among those who claim to know of SDI, negative opinions predominate in more recent polls, but results vary widely according to question wording. A

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**Table 2**  
**West German Participation in SDI** *Percent*

	Total	CDU/ CSU	SPD	FDP	Greens
Favor	31	47	22	51	12
Oppose	46	31	58	36	76
No opinion	22	22	20	13	12

Source: Poll for ZDF network, December 1985. Sample size of subgroups—especially FDP and Green supporters—is so small that these results are only rough estimates of the true figures.

plurality opposed West German participation in SDI research in a poll conducted for a television network in December, and a more precisely worded Infas poll in November found pluralities opposed to both private and government participation. Various other West German polls in 1985 also found negative sentiment on SDI predominant, but USIA survey questions that do not mention SDI by name find substantial—although declining—support for the idea of strategic defense. Slight pluralities in several USIA-sponsored surveys, for example, said US “research into the possibility of developing an antimissile defense system” is a good idea and supported West German participation in research efforts.

Younger, better educated, and leftist West Germans are the most likely to oppose SDI, according to various polls, while Christian Democrats are the most supportive. Differences between the parties, however, are smaller than over INF deployment in 1983. A USIA study last spring found that one-third of the Greens and the Social Democrats consider antimissile defense a good idea, along with a slight plurality of Free Democrats and a strong plurality of Christian Democrats.

**Bonn’s Tactics on SDI**

We believe these conclusions call into question recent statements of some Bonn officials. During the West German SDI delegation’s visit to Washington in January, Economics Minister Bangemann—like Genscher a Free Democrat—argued that “domestic

**Table 3**  
**US Research in Antimissile Defense** *Percent*

	February 1985	March 1985	September 1985	December 1985
A good idea	48	40	34	31
A bad idea	23	21	29	30
Don’t know	30	39	36	40

Source: USIA. Columns may not sum to 100 because of rounding error.

political reasons” require a broad US–West German accord on technology transfer rather than the more specific SDI agreement favored by the United States. Asked by Vice President Bush about the state of West German public opinion on SDI, Bangemann replied that the Bonn government faced a difficult situation. He added, however, that the Cabinet’s approach to SDI—presumably meaning its desire for a broader tech transfer agreement—would help to calm discussion of the issue.

Bonn’s tactics are likely to influence elites more than the general public, in our opinion. The highly educated minority might find an SDI agreement less unpalatable if it included US concessions on a wide range of technology-transfer issues, although leftists almost certainly would remain opposed. Affected businesses, of course, probably would welcome an agreement that assured them the right to market technologies acquired in the course of SDI and other advanced technology contracts with the United States. We have no evidence, however, that business leaders provided the impetus for Bangemann’s efforts to link broader technology-transfer issues to the framework agreement on SDI.

In our judgment, Bonn’s approach to SDI results from intracoalition maneuverings much more than from public opinion pressures. Foreign Minister Genscher originally opposed any US–West German framework agreement on SDI, probably to avoid complicating

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Bonn's relations with the East and to highlight the Free Democrats' independence from their Christian Democratic coalition partners. Once the Cabinet decided to seek an accord with Washington, Genscher apparently decided that expanding it into an umbrella agreement on technology transfer would prolong negotiations, appeal to West German industry, and avoid a direct endorsement of SDI. Although Economics Minister Bangemann initially argued for Genscher's position during the talks in Washington earlier this month, we believe he and Chancellor Kohl remain committed to a separate SDI accord along with a later and more general agreement on tech transfer. [redacted]

**Implications**

Because public views of SDI remain unsettled, more forthright support by the Kohl administration probably could increase popular acceptance of West German participation. Until now, however, Bonn has not spoken with one voice. Kohl has endorsed the US research program but adds that offensive arms reductions should take priority over eventual deployment of strategic defenses. Government spokesmen—especially Foreign Minister Genscher—frequently point out potential problems posed by SDI, such as complications for arms control negotiations, pressures on spending for conventional military forces, and a potential weakening of the US strategic guarantee of Western Europe. Defense Ministry spokesmen, by contrast, have publicly defended SDI and called for complementary West European research into defense against tactical ballistic missiles. [redacted]

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## Bulgaria: Leadership Shakeup

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The sweeping reorganization of Bulgaria's Council of Ministers last month, along with the dismissal of two senior party officials, is probably a response to continuing economic problems and Soviet pressure to rectify chronic mismanagement. The changes, which mirror Soviet ministerial restructuring in recent months, set the stage for Bulgaria's Communist party congress beginning on 2 April. Politburo members Chudomir Aleksandrov and Ognyan Doynov appear to have emerged with enhanced power, a move that may presage Todor Zhivkov's gradual transfer of his responsibilities to a younger deputy.

### Extensive Government Changes

The changes in the Council of Ministers were the most extensive since 1979, when Bulgaria reorganized its agricultural and food industries. A party plenum on 17 and 18 January created within the Council of Ministers new councils for economic policy; for social policy; and for scientific, cultural, and educational policy. According to an official announcement, the new agencies will have authority to issue cabinet-level edicts and will coordinate the activities of the ministries under their purview. The chairmen of the new councils were subsequently promoted to deputy premiers.

Four ministries, including the troubled Ministry of Construction and Territorial Settlement, were abolished. Three of the ministers were dismissed. The fourth, ex-Foreign Trade Minister Khristov, will head a new "super-ministry" resulting from the merger of the Ministry of Foreign Trade, the Ministry of Supplies, and the Ministry of Production and Trade for Consumer Goods. The State Planning Committee was reorganized and renamed the State Planning Commission, but it is unclear how its responsibilities will be changed. Planning committee chief Ivan Iliev was retained as head of the new commission.

The State Committee on Science and Technological Progress, a key player in Sofia's drive to modernize industry through application of modern technology,

was reorganized and renamed the State Committee for Research and Technologies. Stoyan Markov, a former deputy minister for machine building who was promoted last October to head the committee on S&T progress, was named chairman of the new Committee for Research and Technologies. Markov, 43, is reported to be a protege of Minister of Machine Building Doynov. Markov was also named a candidate Politburo member and First Deputy Premier, making him one of the big winners in the shakeup.

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**Personnel Changes.** The reassignments significantly enhance the political influence of Aleksandrov and Doynov and make them the front-runners to succeed Zhivkov. Aleksandrov was promoted to the Central Committee Secretariat, a position that may give him, along with Doynov, a key role in overseeing party economic policy. According to a Western diplomat in Sofia, Aleksandrov has been tasked with drafting the rules and regulations for the new councils. Although he has been relieved of his duties as First Deputy Premier, Aleksandrov's promotion to the Secretariat strengthens his party credentials and indicates that he continues to be a Zhivkov favorite.

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Doynov, 50, was promoted to head the new council on economic policy, a move that, according to some East European ambassadors in Sofia, makes him a virtual "economic czar." Doynov has a background in economics and foreign affairs and is believed to be a principal advocate of expanded economic relations with the developed West and gradual decentralization of economic authority. Deputy Trade Minister Ginev told the US Ambassador in mid-February that Doynov will be responsible for ensuring that the economy is able to respond quickly to changing domestic and international conditions. Coupled with his position on the Central Committee Secretariat, Doynov's new post probably makes him Bulgaria's single most important economic official. This is

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EUR ER 86-006  
28 February 1986

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especially true if the responsibilities of the Council of Ministers, and hence Premier Grisha Filipov, have been downgraded. [redacted]

Politburo member Todor Bozhinov, who was also Minister of Supplies, and candidate member Stanish Bonev, who was fired from his post as state planning chief last October, were dismissed from the Politburo. Their dismissal almost certainly reflects Zhivkov's dissatisfaction with economic performance. Bozhinov, whose meteoric rise to prominence in the party and the government in the early 1980s is believed to be linked to his role in the formulation and implementation of Bulgaria's timid economic reform program, probably is blamed for energy and raw material supply shortages and bottlenecks that brought industry and construction to a near standstill in early 1985. [redacted]

The ministerial reorganization probably also hurt the political prospects of two men long identified as possible successors to Zhivkov:

- Premier Filipov, 65, has had his authority on economic policy undercut by the creation of the new economic council and Doynov's elevation. The designation of Markov to act as Premier in Filipov's absence also restricts Filipov's authority. The new economic decision making apparatus will intensify the rivalry between Filipov and Doynov.
- Milkov Balev, 65, now may have the source of his influence—access to Zhivkov and high party position—matched by Aleksandrov. The latter's youth and apparent vigor, moreover, make him a more attractive candidate. Aleksandrov's visit to Havana in early February to attend the Cuban party congress, and his talks there with Nicaraguan party leader Ortega, may be an indication that he is now playing a more active role in interparty affairs. This is a role that Balev sometimes assumed in the past. [redacted]

**Bulgaria: Selected Economic Indicators** *Percent change over previous year*

	1983	1984	1985	1986 Plan
National income	3.0	4.6	1.8	4.0
Industrial production	4.6	4.5	3.5	4.5
Agricultural production	-7.0	6.8	-9.0	7.4
Per capita income	2.8	2.7	2.7	2.0
Labor productivity	5.0	5.0	2.0	4.5

Source: Official Bulgarian figures.

[redacted]

**Economic Implications.** The reorganization represents an effort by Sofia both to revitalize its slumping economy and respond to Soviet criticism. The economy has been slow to recover from weather-related problems that depleted energy supplies, reduced industrial production, and lowered agricultural output in 1985. Both the Bulgarian press and the Soviet Union also have criticized mismanagement, excessive bureaucracy, corruption, and low labor productivity that have hampered the regime's recovery efforts. In a speech on 21 January to the National Assembly that approved the reorganization, Zhivkov acknowledged the need for far-reaching changes and said the new councils had been created to eliminate bureaucracy. But the shakeup also appears to mirror recent Soviet ministerial reorganizations. [redacted]

The new councils will be given broad responsibilities, apparently at the expense of the branch ministries. The council on economic policy probably will be charged with limiting ministerial interference in enterprise operation. Bulgarian Politburo member Stanko Todorov told the US Ambassador that the reorganization represented a reduction in the powers of the individual branch ministries as well as of the Council of Ministers. Todorov added that the councils

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will coordinate the daily work of the economy and will have decisionmaking power for that purpose. [ ]

The US Embassy reported in late February that several of Bulgaria's industrial ministries are slated to be split into smaller units subordinate to the economic policy council. The rationale for dissolving the ministries is to streamline economic management and give managers more autonomy and responsibility. [ ]

Zhivkov apparently hopes the reorganization will breathe new life into his economic reform program. In his National Assembly speech, Zhivkov called for an increased role for "self-managed organizations" and worker collectives. Moreover, Zhivkov revived the issue of the New Labor Code, an adjunct to the reform program that defines labor relations and wage policy, promising that it would be ratified before the party congress. An editorial in the party daily on the same day said that achieving political, economic, and social development through application of modern technology would be a key issue at the party congress and that this "scientific-technical revolution" would be driven by self-managed organizations. According to the editorial, these organizations will have broad economic independence and greater rights in foreign and domestic economic relations. [ ]

Aleksandrov joins Doynov, Zhivkov aide Milko Balev, and Zhivkov as the only Bulgarian leaders who are both full Politburo members and Central Committee secretaries. Aleksandrov's new responsibilities probably will allow him to continue to oversee the coordination of economic policy but should shield him from political damage if the Bulgarian economy continues to falter. As a party secretary, moreover, he now may have some say over party cadre policy. This may allow him to place supporters at all levels of the party apparatus. [ ]

If Doynov manages to streamline Bulgaria's sluggish economy, he probably can gain the edge in the competition and put Premier Filipov—whose responsibilities apparently now overlap Doynov's—out of the running. But Doynov also has some liabilities, and he will become especially vulnerable if Bulgaria's economic problems continue or worsen. Filipov and

Aleksandrov, moreover, are well placed to offset any political boost Doynov may receive from improved economic performance. Doynov's duties also may make it difficult for him to concentrate on building his support in the party, where he is considerably less experienced than Aleksandrov. The tradition in Bulgaria and other Communist countries—where the route to the top is through the party and not through the state apparatus—also is not favorable to Doynov. [ ]

### Prospects

The recent shakeup strengthens speculation that Zhivkov will follow the example of Hungarian leader Kadar and designate someone at the party congress to act as "Second Secretary." Designating a deputy, whether formally or informally, would allow Zhivkov to lighten his own administrative burden. Aleksandrov and Doynov probably would have the edge if Zhivkov wishes to use the post to designate an heir apparent. Filipov, Balev, or a less prominent candidate might be named if a deputy is to serve merely as an executive assistant. Whoever is named, a deputy would have a great advantage in the succession sweepstakes. [ ]

The reorganization and personnel changes—vintage Zhivkov responses to economic problems—are unlikely to have much effect on economic performance by themselves. Sofia faces deep-seated ideological, social, and bureaucratic impediments to implementing meaningful economic reforms. Although better weather has improved the economic outlook for this year, Bulgaria's systemic problems with inefficiency, low productivity, and poor quality will persist. [ ]

More personnel and organizational changes may come before the Bulgarian party congress in April. These should clarify the role of the new government councils and the political fortunes of those selected to lead them. [ ]

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## Albania: The Politburo Lineup Under Alia

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### Profile

Almost a year after party leader Ramiz Alia came to power, Albanian media are providing some indication of the relative standing of the nine other full (voting) members of the Politburo. These rankings may point to general policy areas of concern in Tirane as well as to those leaders Alia is relying on most to strengthen his position.

### Alia's Position

Alia has moved to establish himself as Albania's most powerful figure, but he still lacks the unquestioned personal authority enjoyed by Hoxha. He has attempted few changes in the leadership he inherited at the end of the Hoxha era, which suggests he is moving cautiously.

During late 1985 Alia went on record with comprehensive statements laying out his administration's positions on foreign and economic policy, emphasizing continuity with his predecessor. Other officials with increasing frequency refer to Alia's public utterances as the baseline from which subsequent debate must proceed—though not with the quasi-mystical aura of Hoxha's proclamations.

### The Winners

Five of the nine appear to be prospering within the new order:

- *Premier Adil Carcani*, a Politburo member since 1961, has solidly established himself as number two after Alia. Carcani and Alia are the only leaders reported to "give instructions" during official appearances. The press often identifies them with full party and state titles at major gatherings, whereas other leaders are listed simply as Politburo members. Carcani gave the main address at one of the two announced Central Committee plenums held since Alia replaced Hoxha, and Alia himself addressed the other. Carcani generally speaks on economic topics but also on foreign policy.

- *Vice President Rita Marko* may hold claim to third place in the lineup. He is a member of Hoxha's old guard who has served on the Politburo since 1956. His activities are reported frequently, and his appearances are often high profile. Marko, for example, accompanied Alia on his trip to southern areas last August, during which Alia delivered his most important foreign policy speech to date. In October, Marko presented a national medal to Politburo candidate member Foto Cami, who recently was made a party secretary and is an Alia favorite; the Albanian news service listed Marko immediately following Alia and Carcani in reporting the event, a rare exception to the strict alphabetical listing normally used for Politburo members. Later the same month, Marko presented the state's medal to Alia on his 60th birthday. And media reports indicate that Marko has primary responsibility for preparing sessions of the People's Assembly, despite his nominal subordination to Alia at the top of that body.

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- *Manush Myftiu*, also promoted to the Politburo in 1956, appears frequently at many different forums. Last October he was named to the Central Committee commission charged with creating an Enver Hoxha museum; the small commission includes important figures such as Alia, Carcani, Cami, and Hoxha's widow, Nexhmije. Myftiu accompanied Alia on his visit to Hoxha's birth place last summer and is the only leader besides Alia and Carcani to have had his remarks on foreign policy reported at length.

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- *Party Secretary Lenka Cuko*, promoted in 1983, is the only female Politburo member. She has gained surprising prominence in male-dominated Albania. Cuko was named to the Hoxha museum commission and has joined Alia in laying ceremonial wreaths in the names of both the Politburo and the Central

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EUR ER 86-006  
28 February 1986

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Committee, the only leader to have done so. Sometime last summer, she apparently took over Politburo responsibility for youth affairs. Cuko may be benefiting from the economic performance of Lushnje District, her power base, which was the only district to fulfill the 1985 plan, according to the official plan report.

- *Party Secretary Simon Stefani*, promoted in 1981, also appears frequently and trails only Alia, Carcani, and Marko in the number of speeches he has given. Stefani is the only leader other than Cuko to have laid a party wreath with Alia, although he did so only in the name of the Central Committee. Stefani's appearances indicate that he may have some responsibility for military affairs. [redacted]

#### The Losers

Men in two critical government positions head the list of those whose influence appears to be diminishing:

- *Interior Minister Hekuran Isai*, a Politburo member since 1975, has received below average media attention despite his inherently powerful portfolio and status as one of only six party secretaries. Moreover, the official daily *Zeri i Popullit* early last December attacked lax enforcement of law and order, indirectly referring to Isai's ministry. An embarrassing and unresolved public confrontation with Italy—caused by six Albanians who managed to dodge Isai's security personnel and take refuge in the Italian Embassy late last year—almost certainly has further damaged his status. He may be the first to be sacked as Alia looks to put his own man in the internal security job. [redacted]

- *Minister of Industry and Mines Hajredin Celiku*, who was promoted in 1981, holds one of the most powerful government positions yet and has become one of the least visible Politburo members. Celiku has overseen the industrial sector during several years of extremely poor performance (the regime declined even to report apparently dismal industrial

growth rates for 1985 beyond a few industries such as knitwear). The industrial sector is likely to stagger through 1986 as well, and Celiku may be removed as minister—and perhaps from the Politburo.

- Politburo members *Muho Asllani* and *Pali Miska* have remained in relative obscurity and shown signs of weakness. Asllani, for example, at an appearance in October, played a secondary role to Mrs. Hoxha who, as a Central Committee member, normally takes a backseat to Politburo members. Moreover, press reporting indicates that Asllani early this year lost his position as Party First Secretary in Durres District. The official media indicate that he moved to the top of the Shkoder District party, but he has largely stayed out of the public eye and failed to appear at a meeting between Carcani and the Shkoder leadership in mid-February—a violation of normal protocol. Miska, for his part, has been the besieged Celiku's only rival in public adoration of Alia. [redacted]

#### Influence on Policy

In the murky world of Albanian politics, the link between leadership maneuvering and national policy is obscure. We lack concrete evidence but believe that the latest shifts could reflect debate over several policy questions. [redacted]

Interior Minister Isai may have opposed Alia on steps he apparently has taken to ease slightly the repressive internal political climate. [redacted]

[redacted] Last January the regime announced a qualified amnesty for political prisoners, and some knowledgeable Western observers say that under Alia the regime has allowed some older Albanians greater opportunity to visit relatives in the West. As the man responsible for internal security in a traditionally xenophobic country, Isai is among those officials most likely to have opposed even marginal relaxation. [redacted]

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Industrial czar Celiku, for his part, may have opposed introducing even minor expedient "reforms" into his sector—a policy of cautious experimentation apparently favored by Alia and Carcani in tackling Albania's economic stagnation. A Chinese journalist reported—and was confirmed in part by official Albanian statements—that in the agricultural sector the regime is encouraging peasants to farm their own plots and raise poultry and livestock, a reversal of practice over past decades. The plan report for 1986 indicates that the Ministry of Construction will start promoting private home construction through government financial assistance in an effort to ease the housing shortage. But there are no signs that the Ministry of Industry and Mines is encouraging such new approaches in response to weak performance, despite calls in the media for measures such as linking wages to productivity. [ ]

We have seen no evidence, however, that Alia or Carcani would push major changes in the system that might alienate the old guard. Presumably secure for now against challenges from within the party, Alia may turn Celiku and Isai into scapegoats for their lack of progress in overcoming economic stagnation.

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On the other hand, the movement of up-and-coming Cuko into youth affairs reinforces other evidence that the regime is increasingly concerned over the possibility that Western economic and cultural contacts will spread non-Communist values to Albanian youths. The media often bemoan, for example, ideological laxity and growing materialism among students. [ ]

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Alia appears to be pulling together an "inner Politburo" consisting of the five leading full members and *Foto Cami*. This group is large enough—particularly if, as we expect, Cami is elevated to full membership on the Politburo at the party congress this year—to assure Alia a working majority on the Politburo and within the Secretariat. Whether or not old Hoxha loyalists Marko and Myftiu accept even modest economic and political experimentation, they apparently are willing to back Alia out of instinctive loyalty to the party First Secretary. [ ]

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## Economic News in Brief

## Western Europe



**Bundesbank study concludes West Germany approaching "upper limit" on social welfare costs . . .** sharp increases since 1970 reportedly dulling private incentives, promoting black economy, and exacerbating unemployment by causing widespread substitution of capital for labor . . . serious financing difficulties seen in 1990s without major reforms.

**Recent survey shows trade union membership in Britain fell in 1984 despite growth in number of people working . . .** total membership was 2.2 percent down from 1983 . . . reflects worker disillusionment with trade unions and Prime Minister Thatcher's efforts to curb unions' power.

**Recent British study found that voluntary export restraints on autos and VCRs impose heavy costs on British consumers, while saving or creating relatively few jobs . . .** Thatcher government will use findings to try to galvanize public opinion against protectionism.

**Spanish defense budget for 1986 cut in real terms by 6.3 percent . . .** part of budget austerity designed to encourage private-sector recovery . . . reverses long-term trend of growth . . . will delay purchases of new weapons.

## Eastern Europe

**Czechoslovakia considering new system of rating and certifying quality of industrial products . . .** stricter grading criteria to be based on "world standard" . . . apparent response to Soviet pressure for improved export quality and to growing noncompetitiveness of Czechoslovak products on international markets.



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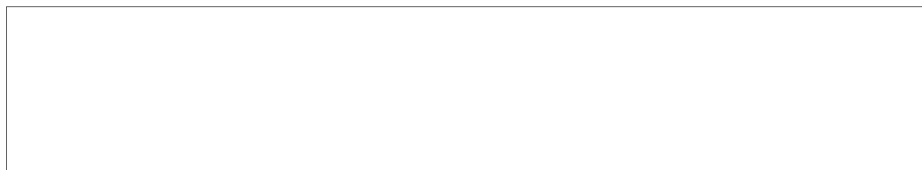
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**Looking Ahead**

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*March/April*  
*Western Europe*




*Swiss to decide on UN membership in referendum on 16 March . . . debate centers around definition of Swiss neutrality . . . most political leaders favor UN entry, but public likely to defeat proposal.* 

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*Canadian Prime Minister Mulroney meets President Reagan in Washington on 18 March . . . acid rain, North American air defense, and bilateral trade to be major topics of discussion . . . Mulroney considers US agreement to implement recommendations of just-concluded acid rain study the sine qua non of a successful summit . . . Canadian officials believe a US rebuff on issue would contribute to further decline in Mulroney's popularity.* 

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*West German-Soviet Joint Economic Commission meets in Moscow on 3 and 4 April . . . West Germans will express concern about their trade deficits with the USSR over past five years . . . Bonn nevertheless optimistic that new Soviet five-year plan, which calls for increased capital investment, will provide good business opportunities.* 

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